

SYNOD OF THE GREAT LAKES

2023 MINIMUM COMPENSATION GUIDELINES FOR MINISTERS OF WORD AND SACRAMENT

These Guidelines are to be met or exceeded when determining the Salary and Provisions of Compensation for Ministers of Word and Sacrament who serve RCA congregations.

Each year, the Synod of the Great Lakes recommends guidelines to the classes within its region. Each classis considers these guidelines as it approves a minimum standard for compensation for ministers serving the congregations within the classis as described in the RCA *Book of Church Order (BCO)*. These guidelines apply to all Ministers of Word and Sacrament serving congregations within the classis (pastor / minister) whether the invitation to ministry is given in the form of a *call* or a *contract*. By simple definition, a *call* is an employment agreement without an ending date. A *contract* is an employment agreement with an ending date specified.

Part One: The Relationship

All employment relationships, whether call or contract, full-time or part-time, are covenants between the minister and the consistory. These relationships begin with an “invitation to ministry” – a written agreement that clarifies what each party (minister and consistory) can expect from one another in terms of services provided and compensation for those services. All employment relationships between a minister and a consistory require the approval of the Classis. The pastor is expected to perform certain services in his/her ministry among the congregation, and the congregation is expected to provide remuneration to the pastor in a manner that may keep him/her from pre-occupation with financial concerns. Full-time calls and contracts normally limit the pastor’s employment to the church.

Goals: Every consistory needs to be involved with their pastor(s) in setting specific goals for both the pastor(s) and the church in order to lead the church in mission for Jesus Christ. Financial considerations are part of this two-way accountability and communication.

Performance Review: The annual constitutional inquiry of the *Book of Church Order* (Chapter 1, part II, Article 7, Sec 1h) requires that “the consistory regularly review the activities of the church in order that the congregation and those whom it serves may become more faithful in their walk as disciples of the Lord Jesus.” This review should include an evaluation of the role of the minister in fulfilling this goal.

Personnel Committee: It is recommended that each consistory appoint a personnel committee to work with all church staff members. Realizing that there are differences from church to church, the details of the personnel committee are left to the individual consistory. The following guidelines identify the basic tasks/duties of a personnel committee. A personnel committee:

- a. Meets with each pastor and staff person at least twice per year, preferably including the pastor’s spouse once per year.
- b. Sets goals for each position and discusses with each pastor and staff person how the goals fit into the vision of the church.
- c. Reviews the past performance of the pastor(s) and staff persons.
- d. Acknowledges superior achievements and extraordinary service with public recognition and affirmation.
- e. Discusses general employment concerns with pastor(s) and staff persons.
- f. Discusses specific financial needs which include salary, housing, insurance, continuing education, retirement and transportation reimbursement, as applicable.
- g. Considers financial needs beyond the day-to-day living expenses such as medical expenses, education costs, and emergencies.
- h. Discusses other needs such as family crises, illness, marital stress, emotional health, and job satisfaction.
- i. Gives support and encouragement.
- j. Discusses and facilitates good relationships between church staff members.
- k. Serves as the communication link between staff and the consistory.

Part Two: Compensation

Salaries: Salaries must be practical and fair. A salary should assure sufficient support so that financial problems do not interfere with a pastor’s best work. This salary scale below is a **minimum standard** only. In addition to fulfilling this standard, the workload, outstanding job performance, and special needs of the pastor should be considered within the process of establishing a salary.

Part-time Employment: Part-time calls and contracts are not fully bound by these compensation guidelines because such agreements can vary significantly. The use of the salary table below on a pro-rated basis is helpful and advised. In addition to the salary table, two other provisions must be included in the compensation package according to the BCO (1.I.2.7; 1.II.15.3): 1) payment of 11% of base salary and housing allowance to the minister's Retirement Fund; 2) required insurance coverage. (See items #2 and #3 below.) These insurance coverages are required by the BCO for all ministers working full or part-time and are provided by the Board of Benefit Services. The consistory must cover the cost of the premiums as part of a call or contract for all compensated ministers, unless the classis determines that the minister is serving the church part-time (as defined by the Board of Benefits Services), and that circumstances warrant that the consistory be exempt from this requirement, or the minister is working less than part-time as defined by the Board of Benefits Services. Item #8 also applies to part-time employment, since it is an expense reimbursement.

COMPENSATION PROVISIONS

Items 1 through 7 are the minimum compensation requirements for a full-time minister. Item 8 is a required expense reimbursement.

1. Salary Schedule:

- a. The salary schedule shall apply to all full time ministers whether with a call or a contract. The salary table is based on years of service and the confessing membership of the church. Churches with staff ministries may use the first column (0-200 members) as a minimum for paying the salary of Associate Pastors.
- b. Waiving the Minimum Salary: If a consistory and pastor agree to a less-than-minimum salary, a waiver request, signed by both the pastor and a consistory representative, shall be sent to the appropriate Classis committee for Classis approval. The waiver request must state the amount and the reasons for the exemption. A waiver request shall be submitted to the Classis at least three months prior to the effective date. The compensation forfeited by the waiver is not required to be repaid, unless a repayment agreement is stipulated in the waiver request.

**2023 MINIMUM ANNUAL BASE SALARY SCHEDULE
Based on Years of Service and the Number of Confessing Members**

Base Salary					Base Salary plus Housing Allowance (30%)				
*Years	0-200	201-350	351-500	501+	*Years	0-200	201-350	351-500	501+
0	\$46,558	\$49,292	\$51,960	\$54,621	0	\$60,616	\$64,081	\$67,547	\$71,005
1	\$47,707	\$50,359	\$53,022	\$55,693	1	\$62,022	\$65,468	\$68,929	\$72,401
2	\$48,760	\$51,428	\$54,086	\$56,755	2	\$63,389	\$66,857	\$70,311	\$73,782
3	\$49,826	\$52,493	\$55,141	\$57,823	3	\$64,772	\$68,242	\$71,683	\$75,170
4	\$50,894	\$53,559	\$56,223	\$58,885	4	\$66,162	\$69,567	\$73,092	\$76,551
5	\$51,958	\$54,623	\$57,291	\$59,954	5	\$67,545	\$71,010	\$74,478	\$77,939
6	\$53,024	\$55,691	\$58,351	\$61,020	6	\$68,930	\$72,399	\$75,857	\$79,346
7	\$54,089	\$56,754	\$59,420	\$62,086	7	\$70,317	\$73,781	\$76,790	\$80,711
8	\$55,171	\$57,822	\$60,485	\$63,154	8	\$71,722	\$75,169	\$78,631	\$82,098
9	\$56,254	\$58,906	\$61,553	\$64,217	9	\$73,129	\$76,578	\$80,017	\$83,481
10 +	\$57,289	\$59,983	\$62,618	\$66,407	10 +	\$74,475	\$77,981	\$81,402	\$84,869

*NOTE: Years of Service since Ordination - - *NOTE: This is an 8.5% increase from 2022

2. **Retirement Fund:** Contributions must be made to the RCA Retirement Plan, as stipulated in the call form, to comply with the IRS regulations of the RCA retirement plan document. Contribution payments to the RCA Retirement Plan are required for all employed ministers whether full or part-time, unless the classis determines that the minister is serving the church part-time and that circumstances warrant that the consistory be exempt from this requirement, and the classis approves a waiver. Contributions for all ministers must be 11% of base salary and housing allowance or greater. For full-time ministers, the contribution to the Plan must meet or exceed the EBPH level set by the Board of Benefits Services. (*BCO*, 1.II.12.3)
3. **Required Insurance Coverage:** Three insurance provisions are included in this requirement: Medical Insurance (including family), Life Insurance, and Long-Term Disability Insurance as stipulated by the Board of Benefits. (*BCO*, 1.II.12.3)
 - a. Medical Insurance. The consistory must cover the cost of the premiums paid for medical insurance for the minister and his/her immediate family. Such medical insurance coverage shall meet or exceed the minimum standards stipulated by the Board of Benefits Services. When the high deductible health plan is chosen, consideration should be given to using all or part of the savings in premium to establish a Health Savings Account for the minister. Medical coverage may be excluded only if family coverage is provided through a spouse's employer-sponsored group plan.
 - b. Life Insurance and Long-term Disability. These insurance coverages are provided for every minister through the Board of Benefit Services. The consistory must cover the cost of the premium unless the minister is working less than part-time as defined by the Board of Benefits Services.
 - c. Dental and/or Long Term Care (including family) are optional and may be added to the required insurance provisions.
4. **Housing:** The consistory shall provide the pastor with free use of a parsonage including all utilities, or a housing allowance which equals at least 30% of the base salary. The amount designated for the housing allowance and reported to the IRS may be adjusted to take advantage of IRS guidelines. The agreement must be recorded in the consistory minutes at the beginning of each year.
5. **Self-Employment Tax:**
 - a. Pastors shall be paid by the consistory for Self-Employment Tax payments at the rate of one-half of the rate payable by a self-employed person. This reimbursement is calculated on the base salary plus housing.
 - b. If a pastor has elected not to be part of the Social Security system, an equal allowance is to be made for another appropriate retirement program. The consistory shall require evidence that this other retirement program has benefits comparable to Social Security benefits including Medicare.
6. **Professional Development:** (as required in the call form of the *BCO*): A minimum of one week with a stipend equal to not less than 1/52 of the annual minimum base salary (excluding housing allowance) shall be granted each year for professional development. By mutual agreement, this time and money may be accumulated up to a maximum equivalent of four years of service. The program of study must be approved by the Consistory, and should be mutually beneficial to the church and the pastor. This provision is not a personal saving account for the pastor and does not need to be paid to the pastor when employment ends.
7. **Vacation:** The minimum amount of vacation time granted each year shall be 4 weeks (including 4 Sundays). One week of vacation may be carried over to the next year, unless the consistory has approved a greater amount of vacation carryover.
8. **Car Allowance:** Car Allowance is not a Compensation Provision, but a "cost of doing business" expense incurred by the pastor on behalf of the church. Use of the pastor's personal car for ministry purposes shall be reimbursed to the pastor either at the IRS per mile rate or for actual expenses, whichever is more equitable in the situation, as agreed upon by pastor and consistory. (Note: Per IRS rules, one round trip commute each day is not a reimbursable expense.)

Additional Recommended Provisions

1. Sabbatical: It is recommended that a consistory adopt a policy of granting their pastors at least a six-week sabbatical at full salary after each seven years of service with that congregation. The sabbatical shall be scheduled at a time mutually agreed upon by the consistory and the pastor. The plan for the sabbatical shall be approved by the consistory with the clear intention that the sabbatical benefit both the pastor and the church. Compensation provisions shall continue to be paid during the sabbatical period.
2. Ministerial Couples: It is recommended that the consistory of a church served by a ministerial couple be sensitive to the possibility that a shared parsonage benefit or housing allowance can decrease those pastors' retirement and social security payments thus placing them at a disadvantage when they retire. Those consistories are urged to consider paying more than the minimum retirement and/or social security benefit to correct this inequity.
3. Special consideration: is recommended for those pastors who have led their congregations to start significant new worship services, worship sites or ministries resulting in new conversions to Christ and new ministry leaders. It is suggested that the consistory consider an annual merit increase above the appropriate step in the chart (or above the current salary if already above the minimum annual base salary). If these new revitalization efforts result in the formation of a new church, it is recommended that the salary be at least 5% above the appropriate step in the chart (or above the current salary if already above the minimum annual base salary). These suggestions are voluntary and are at the discretion of the consistory.

Special Note 1: Church Staff Guidelines. A compensation reference guide for church staff members not-ordained as Ministers of Word and Sacrament titled, "Church Staff Salary & Benefits Guidelines," is available from the Synod of the Great Lakes.

Special Note 2: Justification for the 2023 Minimum Compensation Increase. At the most recent RSGL Assembly (May 2, 2022), delegates approved R-4, which was amended/approved as follows: *"That the 2023 Minimum Compensation Guidelines for Ministers of Word and Sacrament be increased by 8.5% over 2022."*

The decision to increase minimum compensation by 8.5% is in alignment with the Consumer Price Index (CPI), which is reported by the U.S. Bureau of Labor and measures the rate of inflation by tracking average change in price over time of consumer goods and services purchased by households. As of March 2022, CPI stood at 8.5%.

For reference, the 8.5% increase in the 2023 Minister of Word and Sacrament Minimum Compensation Guidelines comes on the heels of an increase of 1.75% in 2022, and 2.0% in both 2021 and 2020. In reality, the 2023 increase is akin to salary leveling, and is long overdue in the RSGL.

We acknowledge the immense challenges that pastors and ministry staff face at this time (as evidenced by Barna Research reporting in November 2021 that 38% of U.S. pastors have considered quitting ministry in the past year). We also acknowledge that burnout in ministry is accelerated when compensation lags significantly behind inflation. Hence, the RSGL Assembly believes that an 8.5% increase in minimum compensation is both appropriate and necessary at this time.